

Release Date 1-3-01

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INDEPENDENT AUDITORS' REPORT

The Honorable Paul Gauthier, Mayor
and Members of the Council
Town of Cottonport, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Cottonport, Louisiana, as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Cottonport, Louisiana, as of June 30, 2000, and the results of its operations and cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated August 15, 2000, on our consideration of the Town of Cottonport's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information listed in the table of contents on pages 26-49 is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Town of Cottonport. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

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The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of the Town of Cottonport, Louisiana.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Marksville, Louisiana
August 15, 2000

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

TOWN OF COTTONPORT, LOUISIANA
Combined Balance Sheet - All Fund Types and Account Groups
June 30, 2000

	Governmental Fund Types					Proprietary			Fiduciary			Account Groups			Totals	
	Special		Debt		Capital	Fund Type		Enterprise	Fund Type		Agency	General		Long-Term	(Memorandum Only)	
	General	Revenue	Service	Projects								Assets	Debt		2000	1999
ASSETS AND OTHER DEBITS																
Cash and interest-bearing deposits	\$ 121,506	\$ 117,430	\$ 5,063	\$ 97	\$ 319,639	\$ 5,562	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 569,297	\$ 575,139
Receivables:																
Taxes	5,920	14,276	-	-	-	-	-	-	-	-	-	-	-	-	20,196	14,317
Accounts	-	-	-	-	47,546	-	-	-	-	-	-	-	-	-	47,546	47,975
Due from other funds	67,932	-	-	-	374	-	-	-	-	-	-	-	-	-	68,306	9,841
Due from other governmental agencies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,280
Accrued interest	820	606	-	-	2,956	-	-	-	-	-	-	-	-	-	4,382	3,982
Other	36,801	-	-	-	349	934	-	-	-	-	-	-	-	-	38,084	33,899
Restricted assets:																
Cash and interest-bearing deposits	-	-	-	-	31,860	-	-	-	-	-	-	-	-	-	31,860	29,732
Land	-	-	-	-	-	-	-	-	-	-	-	68,047	-	-	68,047	60,031
Buildings and improvements	-	-	-	-	-	-	-	-	-	-	-	651,295	-	-	651,295	648,228
Furniture, fixtures and equipment	-	-	-	-	-	-	-	-	-	-	-	207,783	-	-	207,783	187,960
Automobiles, trucks and tractors	-	-	-	-	-	-	-	-	-	-	-	380,765	-	-	380,765	380,465
Utility property, plant and equipment	-	-	-	-	3,430,266	-	-	-	-	-	-	-	-	-	3,430,266	3,367,293
Accumulated depreciation	-	-	-	-	(1,407,320)	-	-	-	-	-	-	-	-	-	(1,407,320)	(1,326,582)
Amount available in debt service fund	-	-	-	-	-	-	-	-	-	-	-	-	5,063	-	5,063	5,257
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	101,054	120,935
Total assets and other debits	\$ 232,979	\$ 132,312	\$ 5,063	\$ 97	\$ 2,425,670	\$ 6,496	\$ 1,307,890	\$ 106,117	\$ 101,054	\$ 101,054	\$ 101,054	\$ 101,054	\$ 101,054	\$ 101,054	\$ 4,216,624	\$ 4,163,752

(continued)

TOWN OF COTTONPORT, LOUISIANA
Combined Balance Sheet - All Fund Types and Account Groups (Continued)
June 30, 2000

	Governmental Fund Types						Account Groups				Totals	
	Special Revenue			Debt Service			Fiduciary		Proprietary		General	
	General	Revenue	Capital Projects	Debt	Service		Fund Type	Agency	Fund Type	Enterprise	Fixed Assets	Long-Term Debt
LIABILITIES, EQUITY AND OTHER CREDITS												
Liabilities:												
Accounts payable	\$ 5,356	\$ 176	\$ -	\$ -	\$ -	\$ 16,305	\$ 6,054		\$ -	\$ -	\$ 27,891	\$ 26,865
Due to other funds	4,858	20,000	-	-	-	43,130	318		-	-	68,306	9,841
Other liabilities	-	-	-	-	-	-	124		-	-	124	6,031
Contracts payable	-	-	-	-	-	-	-		-	-	-	13,780
Payable from restricted assets -												
Customers' deposits	-	-	-	-	-	31,859	-		-	-	31,859	29,732
Lease payable	-	-	-	-	-	-	-		-	2,117	2,117	11,192
Certificates of indebtedness	-	-	-	-	-	-	-		-	104,000	104,000	115,000
Total liabilities	10,214	20,176	-	-	-	91,294	6,496		-	106,117	234,297	212,441
Equity and other credits:												
Contributed capital	-	-	-	-	-	1,800,067	-		-	-	1,800,067	1,828,707
Investment in general fixed assets	-	-	-	-	-	-	-		-	-	1,307,890	1,276,684
Retained earnings -												
Unreserved	-	-	-	-	-	534,309	-		-	-	534,309	589,101
Total retained earnings	-	-	-	-	-	534,309	-		-	-	534,309	589,101
Fund balances -												
Reserved for debt service	-	-	-	5,063	-	-	-		-	-	5,063	5,257
Unreserved, undesignated	222,765	112,136	97	-	-	-	-		-	-	334,998	251,562
Total fund balances	222,765	112,136	97	5,063	-	-	-		-	-	340,061	256,819
Total equity and other credits	222,765	112,136	97	5,063	-	2,334,376	-		-	-	3,982,327	3,951,311
Total liabilities, equity and other credits	\$ 232,979	\$ 132,312	\$ 97	\$ 5,063	\$ -	\$ 2,425,670	\$ 6,496		\$ 1,307,890	\$ 106,117	\$ 4,216,624	\$ 4,163,752

The accompanying notes are an integral part of this statement.

TOWN OF COTTONPORT, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types Year Ended June 30, 2000

					Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	2000	1999
Revenues:						
Taxes	\$ 34,547	\$ 143,580	\$ -	\$ -	\$ 178,127	\$ 155,814
Franchise fees	80,036	-	-	-	80,036	76,771
Licenses and permits	45,533	-	-	-	45,533	51,341
Intergovernmental	128,493	1,200	-	14,156	143,849	114,675
Fines and forfeits	31,206	-	-	-	31,206	39,091
Miscellaneous	17,264	5,899	220	-	23,383	26,916
Total revenues	<u>337,079</u>	<u>150,679</u>	<u>220</u>	<u>14,156</u>	<u>502,134</u>	<u>464,608</u>
Expenditures:						
Current -						
General government	142,621	1,293	13	-	143,927	148,522
Public safety:						
Police	145,061	-	-	-	145,061	145,106
Fire	24,916	5,398	-	-	30,314	34,230
City Court	2,003	-	-	-	2,003	2,366
Streets and bridges	144,422	-	-	-	144,422	154,174
Health and sanitation	6,319	-	-	-	6,319	2,163
Capital outlay	42,246	12,549	-	25,476	80,271	274,408
Debt service -						
Principal retirement	8,974	-	11,000	-	19,974	21,053
Interest and fiscal charges	594	-	5,827	-	6,421	6,672
Total expenditures	<u>517,156</u>	<u>19,240</u>	<u>16,840</u>	<u>25,476</u>	<u>578,712</u>	<u>788,694</u>
Excess (deficiency) of revenues over expenditures	<u>(180,077)</u>	<u>131,439</u>	<u>(16,620)</u>	<u>(11,320)</u>	<u>(76,578)</u>	<u>(324,086)</u>
Other financing sources (uses):						
Operating transfers in	238,500	-	16,426	11,320	266,246	385,982
Operating transfers out	-	(106,426)	-	-	(106,426)	(215,832)
Total other financing sources (uses)	<u>238,500</u>	<u>(106,426)</u>	<u>16,426</u>	<u>11,320</u>	<u>159,820</u>	<u>170,150</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	58,423	25,013	(194)	-	83,242	(153,936)
Fund balances, beginning	<u>164,342</u>	<u>87,123</u>	<u>5,257</u>	<u>97</u>	<u>256,819</u>	<u>410,755</u>
Fund balances, ending	<u>\$ 222,765</u>	<u>\$ 112,136</u>	<u>\$ 5,063</u>	<u>\$ 97</u>	<u>\$ 340,061</u>	<u>\$ 256,819</u>

The accompanying notes are an integral part of this statement.

TOWN OF COTTONPORT, LOUISIANA

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget (GAAP Basis) and Actual -
Certain Governmental Fund Types
Year Ended June 30, 2000

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Taxes	\$ 34,600	\$ 34,547	\$ (53)	\$128,451	\$143,580	\$15,129
Franchise fees	78,508	80,036	1,528	-	-	-
Licenses and permits	44,380	45,533	1,153	-	-	-
Intergovernmental	119,503	128,493	8,990	9,059	1,200	(7,859)
Fines and forfeits	39,000	31,206	(7,794)	-	-	-
Miscellaneous	15,080	17,264	2,184	4,159	5,899	1,740
Total revenues	<u>331,071</u>	<u>337,079</u>	<u>6,008</u>	<u>141,669</u>	<u>150,679</u>	<u>9,010</u>
Expenditures:						
Current -						
General government	152,439	142,621	9,818	1,305	1,293	12
Public safety:						
Police	151,603	145,061	6,542	-	-	-
Fire	28,883	24,916	3,967	4,845	5,398	(553)
City court	3,900	2,003	1,897	-	-	-
Streets and bridges	190,500	144,422	46,078	-	-	-
Health and sanitation	5,740	6,319	(579)	-	-	-
Capital outlay	11,000	42,246	(31,246)	15,000	12,549	2,451
Debt service	9,568	9,568	-	-	-	-
Total expenditures	<u>553,633</u>	<u>517,156</u>	<u>36,477</u>	<u>21,150</u>	<u>19,240</u>	<u>1,910</u>
Excess (deficiency) of revenues over expenditures	<u>(222,562)</u>	<u>(180,077)</u>	<u>42,485</u>	<u>120,519</u>	<u>131,439</u>	<u>10,920</u>
Other financing sources (uses):						
Operating transfers in	230,000	238,500	8,500	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(106,426)</u>	<u>(106,426)</u>	<u>-</u>
Total other financing sources (uses)	<u>230,000</u>	<u>238,500</u>	<u>8,500</u>	<u>(106,426)</u>	<u>(106,426)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	7,438	58,423	50,985	14,093	25,013	10,920
Fund balances, beginning	<u>164,342</u>	<u>164,342</u>	<u>-</u>	<u>87,123</u>	<u>87,123</u>	<u>-</u>
Fund balances, ending	<u>\$171,780</u>	<u>\$222,765</u>	<u>\$50,985</u>	<u>\$101,216</u>	<u>\$112,136</u>	<u>\$10,920</u>

The accompanying notes are an integral part of this statement.

Debt Service Fund		
Budget	Actual	Variance - Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
210	220	10
210	220	10
3	13	(10)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
16,827	16,827	-
16,830	16,840	(10)
(16,620)	(16,620)	-
16,426	16,426	-
-	-	-
16,426	16,426	-
(194)	(194)	-
5,257	5,257	-
\$ 5,063	\$ 5,063	\$ -

TOWN OF COTTONPORT, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings - Proprietary Fund Type Years Ended June 30, 2000 and 1999

	Enterprise	
	<u>2000</u>	<u>1999</u>
Operating revenues:		
Charges for services -		
Water services	\$ 307,528	\$ 302,272
Sewer services	98,631	94,780
LAWCO water line	<u>108,750</u>	<u>109,601</u>
Total operating revenues	<u>514,909</u>	<u>506,653</u>
Operating expenses:		
Water department	265,489	210,974
Sewer department	101,912	71,672
General and administrative	42,513	48,198
Depreciation	<u>80,739</u>	<u>81,572</u>
Total operating expenses	<u>490,653</u>	<u>412,416</u>
Operating income	24,256	94,237
Nonoperating revenues:		
Interest income	<u>15,532</u>	<u>15,233</u>
Income before operating transfers	39,788	109,470
Operating transfers out:		
Operating transfers out	<u>(159,820)</u>	<u>(170,150)</u>
Net loss	(120,032)	(60,680)
Add: Depreciation of fixed assets acquired by funds externally restricted for capital acquisitions and construction that reduces contributed capital	65,240	65,065
Retained earnings, beginning	<u>589,101</u>	<u>584,716</u>
Retained earnings, ending	<u><u>\$ 534,309</u></u>	<u><u>\$ 589,101</u></u>

The accompanying notes are an integral part of this statement.

TOWN OF COTTONPORT, LOUISIANA

Comparative Statement of Cash Flows
Proprietary Fund Type
Years Ended June 30, 2000 and 1999

	Enterprise	
	2000	1999
Cash flows from operating activities:		
Operating income	\$ 24,256	\$ 94,237
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	80,739	81,572
Changes in current assets and liabilities:		
Decrease (increase) in accounts receivable	429	(2,693)
Increase in other receivables	(522)	(544)
(Decrease) increase in accounts payable	(4,931)	6,329
Total adjustments	75,715	84,664
Net cash provided by operating activities	99,971	178,901
Cash flows from noncapital financing activities:		
Operating transfers out to other funds	(116,667)	(170,150)
Cash flows from capital and related financing activities:		
Acquisition of property, plant and equipment	(62,974)	(7,637)
Proceeds from water system grant	36,600	-
Net increase in meter deposits	2,128	2,647
Net cash used by capital and related financing activities	(24,246)	(4,990)
Cash flows from investing activities:		
Interest received on interest-bearing deposits	15,532	15,233
Net (increase) decrease in interest-bearing deposits	(2,094)	99,589
Net cash provided by investing activities	13,438	114,822
Net (decrease) increase in cash and cash equivalents	\$ (27,504)	\$ 118,583
Cash and cash equivalents, beginning of period	336,863	218,280
Cash and cash equivalents, end of period	\$ 309,359	\$ 336,863

(continued)

TOWN OF COTTONPORT, LOUISIANA

Comparative Statement of Cash Flows (Continued) Proprietary Fund Type Years Ended June 30, 2000 and 1999

	Enterprise	
	<u>2000</u>	<u>1999</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash and interest-bearing deposits - unrestricted	\$ 347,177	\$ 330,830
Cash and interest-bearing deposits - restricted	29,732	27,085
Less: Interest-bearing deposits with a maturity over three months when purchased	<u>(40,046)</u>	<u>(139,635)</u>
Total cash and cash equivalents	<u>336,863</u>	<u>218,280</u>
Cash and cash equivalents, end of period -		
Cash and interest-bearing deposits - unrestricted	319,639	347,177
Cash and interest-bearing deposits - restricted	31,860	29,732
Less: Interest-bearing deposits with a maturity over three months when purchased	<u>(42,140)</u>	<u>(40,046)</u>
Total cash and cash equivalents	<u>309,359</u>	<u>336,863</u>
Net (decrease) increase	<u>\$ (27,504)</u>	<u>\$ 118,583</u>

The accompanying notes are an integral part of this statement.

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The Town of Cottonport (Town) was incorporated on March 28, 1896. On October 21, 1924, under the provisions of the Lawrason Act, the Town began operating under a Mayor-Council form of government.

The accounting and reporting policies of the Town of Cottonport conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

The Town's combined financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Town holds the corporate powers of the organization
- the Town appoints a voting majority of the organization's board
- the Town is able to impose will on the organization
- the organization has the potential to impose a financial benefit/burden on the Town
- there is fiscal dependency by the organization on the Town

Based on the aforementioned criteria, the Town of Cottonport has no component units.

B. Basis of Presentation - Fund Accounting

The accounts of the Town of Cottonport are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in an individual fund based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Account groups are reporting devices used to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

The Town has the following fund types and account groups:

Governmental Fund Types –

General Fund

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special revenue funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital projects fund

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). This fund is used to account for the financing and construction of water system improvements.

Proprietary Fund Type -

Enterprise fund

The enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town of Cottonport's enterprise fund is the Utility Fund.

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

Fiduciary Fund Type -

Agency Fund

The agency fund is custodial in nature and does not present results of operations or have a measurement focus. This fund is used to account for assets that the Town holds for others in an agency capacity and is accounted for using the modified accrual basis of accounting.

Account Groups -

General Fixed Assets Account Group

This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes and excludes fixed assets in the Enterprise Fund.

General Long-Term Debt Account Group

This is not a fund but rather an account group that is used to account for the outstanding principal balances of general obligation bonds and other long-term debt not reported in proprietary funds.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, charges for services, interest on interest-bearing deposits and franchise fees. Licenses, permits, and fines are recognized when received because they are not objectively measurable.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, interest on general long-term debt is recognized when due and purchases of various operating supplies are regarded as expenditures at the time purchased.

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

The proprietary fund is accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred.

D. Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Town Clerk prepares a proposed budget and submits it to the Mayor and Council no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Town Council.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Town Council. Such amendments were not material in relation to the original appropriations.

E. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include cash on hand, demand deposits, and time deposits, which are stated at cost, which approximates market.

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

F. Statement of Cash Flows

For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid interest-bearing deposits with a maturity of three months or less when purchased to be cash equivalents.

G. Due to and Due from Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

H. Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased. The Town has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems. No depreciation has been provided on general fixed assets.

The cost of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not included in the general fixed assets account group or capitalized in the proprietary fund.

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Water Utility:

Wells	20 years
Meters and pumps	10 years
Buildings	20 years
Lines	50 years
Vehicles and Other Equipment	5 years

Sewerage Utility:

Lines and Treatment Plant	50 years
Automobiles and Trucks	5 years
Other equipment	6-10 years

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated. Estimated amounts are immaterial in relation to total fixed assets.

I. Long-Term Debt

Long-term obligations of the Town reported in the General Long-Term Debt Account Group consists of a Certificate of Indebtedness, Series 1999, at June 30, 2000.

J. Bad Debts

Uncollectible amounts due for ad valorem taxes and utility accounts receivable are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the receivable. No allowance for uncollectible amounts was made due to immateriality at June 30, 2000.

K. Compensated Absences

Town employees are entitled to certain compensated absences based upon their length of service.

Vacation and sick leave are accounted for on a fiscal year basis beginning January 1st through December 31st.

Vacation leave is earned at the rate of five days to fifteen days per year depending on the employee's length of service with the Town. Vacation leave earned does not accumulate from year to year and expires on January 31st of the succeeding year in which it was earned.

Sick leave is earned at the rate of five days per year for employees who have been employed one to five years. Employees who have been employed greater than five years are granted an additional day for each year of employment over five years. Accumulated sick leave is not payable at time of separation.

At June 30, 2000, vested leave benefits have not been accrued as required by GASB statement No. 16 "Accounting for Compensated Absences" due to immateriality.

L. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2000, the Town has cash and interest-bearing deposits (book balances) totaling \$605,739 as follows:

Cash on hand	\$ 100
Demand deposits	12,786
Money market interest bearing	232,990
Certificates of Deposit	<u>359,863</u>
Total	<u>\$ 605,739</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The bank balances are categorized below to give an indication of the level of risk assumed by the Town at June 30, 2000. Category 1 includes bank balances that are insured or collateralized with securities held by the entity or by its agent in the entity's name. Category 2 includes bank balances that are collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name. Category 3 includes bank balances that are collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the entity's name. Deposit balances (bank balances) at June 30, 2000, are as follows:

Bank balances	<u>\$ 604,757</u>
---------------	-------------------

At June 30, 2000, the deposits are secured as follows:

Federal deposit insurance	122,496
Pledged securities (Category 3)	<u>457,817</u>
Total	<u>580,313</u>
Unsecured bank balances	<u>\$ 24,444</u>

Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand.

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

(3) Utility Receivables

Billed utility receivables of \$47,546 consisted of the following at June 30, 2000:

Current billings	\$45,962
Over 30 days	1,118
over 60 days	<u>466</u>
	<u>\$47,546</u>

Unbilled utility receivables are not recorded in these financial statements due to immateriality at June 30, 2000.

(4) Other Receivables

Other receivables of \$38,084 consist of the following at June 30, 2000:

NSF checks receivable	\$ 77
Road maintenance refund	2,303
Video poker revenue	1,781
Franchise fees	16,644
Casino revenues	15,579
Delinquent ad valorem tax	417
Miscellaneous	<u>1,283</u>
Total other receivables	<u>\$38,084</u>

(5) Interfund Receivables, Payables

A summary of interfund receivables and payables at June 30, 2000 follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$67,932	\$ 4,858
Utility Fund	374	43,130
Agency Fund	-	318
Capital Projects Fund	-	-
Sales Tax Fund	<u>-</u>	<u>20,000</u>
Totals	<u>\$68,306</u>	<u>\$68,306</u>

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

(6) Restricted Assets - Proprietary Fund Type

Restricted assets consist of the following at June 30, 2000:

Cash and interest-bearing deposits	<u>\$ 31,860</u>
------------------------------------	------------------

(7) Changes in Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance 7/1/99</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/00</u>
Land and Improvements	\$ 60,031	\$ 8,016	\$ -	\$ 68,047
Buildings and improvements	648,228	3,067	-	651,295
Furniture, Fixtures, and Equipment	187,960	19,823	-	207,783
Vehicles and Tractors	<u>380,465</u>	<u>300</u>	<u>-</u>	<u>380,765</u>
Totals	<u>\$ 1,276,684</u>	<u>\$ 31,206</u>	<u>\$ -</u>	<u>\$ 1,307,890</u>

A summary of proprietary fund type property, plant and equipment at June 30, 2000 follows:

Water department:	
Water lines, well and extensions	\$ 1,258,424
Meters and pumps	52,147
Service vehicles	44,922
Office equipment	8,772
Building and fences	33,927
Other Equipment	41,465
Sewer department:	
Treatment facility , Lines and Equipment	<u>1,990,610</u>
	3,430,267
Less: Accumulated depreciation	<u>1,407,320</u>
Net Utility Fund property, plant and equipment	<u>\$ 2,022,947</u>

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

(8) Certificates of Indebtedness

On June 15, 1998, the Town of Cottonport issued \$126,000 of Certificates of Indebtedness, Series 1998. These Certificates are due May 1 and November 1 of each year, beginning November 1, 1998 through May 1, 2008 and are secured by excess annual revenues of the Town. The interest rate ranges from 4.65 to 5.10 percent.

The annual requirements to amortize the certificates of indebtedness outstanding as of June 30, 2000, including interest payments of \$24,761, are as follows:

<u>Year Ending June 30,</u>	<u>Certificates of Indebtness</u>
2001	\$ 16,153
2002	15,625
2003	16,092
2004	16,509
2005	15,872
2006-2008	48,510
Totals	<u>\$ 128,761</u>

(9) Changes In Agency Fund

The following is a summary of changes in assets and liabilities of the Agency Fund for the year ended June 30, 2000:

	<u>Balance 7/1/99</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/00</u>
Assets				
Cash	\$5,154	\$389,347	\$388,939	\$5,562
Due from other funds	943	106,389	107,332	-
Other receivables	1,239	26,861	27,166	934
	<u>\$ 7,336</u>	<u>\$522,597</u>	<u>\$523,437</u>	<u>\$ 6,496</u>
Liabilities				
Due to other funds	\$ 1,305	\$277,342	\$278,329	\$ 318
Payroll taxes payable	768	8,394	8,288	874
Retirement payable	4,795	21,717	21,332	5,180
Employee garnishment payable	468	2,200	2,544	124
	<u>\$ 7,336</u>	<u>\$309,653</u>	<u>\$310,493</u>	<u>\$ 6,496</u>

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

(10) Contributed Capital

Amounts contributed to the Enterprise Fund for acquisition or construction of fixed assets is recognized as contributed capital. The sources of contributed capital used to acquire and construct facilities of the Enterprise Fund are as follows:

	<u>Municipality</u>	<u>State Grants</u>	<u>Federal Grants</u>	<u>Total</u>
Contributed capital at July 1, 1999	\$ 460,454	\$ 908,327	\$ 1,532,679	\$ 2,901,460
Add: Capital contributed	-	-	36,600	36,600
Less: Accumulated amortization	<u>-</u>	<u>-</u>	<u>1,137,993</u>	<u>1,137,993</u>
Contributed capital at June 30, 2000	<u>\$ 460,454</u>	<u>\$ 908,327</u>	<u>\$ 431,286</u>	<u>\$ 1,800,067</u>

(11) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of Avoyelles Parish. Ad valorem tax revenues are budgeted in the year billed.

For the year ended June 30, 2000, taxes of 6.14 mills were levied on property with assessed valuations totaling \$5,648,910 and were dedicated as follows:

General corporate purposes	6.14 mills
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Total taxes levied were \$34,547. Taxes receivable at June 30, 2000, were \$417.

(12) Dedication of Proceeds and Flow of Funds - Sales and Use Tax Levy

On October 21, 1995, the voters of the Town of Cottonport approved a one percent (1%) sales and use tax for a period of twenty-five years from April 1, 1996. The revenues derived from said sales and use tax are to be used for the purpose of constructing, acquiring, extending, improving, operating and maintaining sewers and sewerage disposal works, waterworks facilities, public streets and drainage facilities.

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

(13) Water Purchase Contracts

The Town of Cottonport has various contract agreements in effect for the sale of water with details and terms as follows:

1. Louisiana Water Company (LAWCO) - contract dated July 1, 1995, requiring the Town of Cottonport to supply water for resale in Mansura, Louisiana for a period of twenty (20) years at a rate of \$1.28 per 1,000 gallons with a minimum of \$500 per month.
2. Ward 3 Avoyelles Water District - contract dated January 23, 1995, requiring the Town of Cottonport to supply water for resale to Ward 3 of Avoyelles Parish for twenty (20) years at a rate of \$1.12 per 1,000 gallons with a minimum rate of \$500 per month.
3. Village of Plaquemine - contract dated February 1, 1999, requiring the Town of Cottonport to supply water for resale to Plaquemine, Louisiana for a term of one (1) year at a rate of \$1.12 per 1,000 gallons per month.
4. Louisiana Correctional Facilities Corporation - verbal agreement requiring the Town of Cottonport to supply water for resale to the Medium Security Prison in Cottonport at a rate of \$1.12 per 1,000 gallons.

(14) Franchise Agreements

The Town of Cottonport has entered into franchise agreements with various public utility companies that provide services within the corporate limits of the Town. A summary of each such agreement follows:

1. Central Louisiana Electric Company, Inc. (CLECO) - effective October 9, 1985, for a period of thirty (30) years. Franchise fee is based on four percent (4%) of the gross receipts from the sale and delivery of electric energy for residential and commercial purposes billed on commercial and residential rates within the Town. Fees payable quarterly within thirty (30) days of the end of the quarter. Other franchise provisions are as follows:
 - A. Franchise payments will be reduced in an amount equal to the sum of any new or increased taxes of any nature whatsoever levied by the municipality and payable by CLECO (except uniform ad valorem taxes, based on property values).
 - B. CLECO will provide free electric service to the Town and reduce street light rates until November 1988. Thereafter, prevailing commercial rates shall apply and street light rates will increase.

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

2. Galaxy Cablevision - effective June 8, 1981 for a period of fifteen (15) years. The franchise fee is based on five percent (5%) of gross subscription receipts, less sales taxes, federal excise tax and copyright fees, received by the company within the Town limits.

Fees are payable to the Town quarterly, by the 10th of the following month. On May 11, 1994, the Town transferred this franchise agreement from Galaxy Cablevision to Friendship Cable and extended the agreement for an additional thirteen (13) years after expiration of the original franchise.

3. Entex - effective July 12, 1995, for a period of fifteen (15) years. Franchise fee is based on four percent (4%) of the gross receipts from the sale of gas for residential and commercial purposes billed on residential and commercial rates within the limits of the Town. Fees are payable on or before the 10th of each February.
4. Central Louisiana Telephone Company - effective January 1, 1994, for a period of twenty-five (25) years. The franchise fee is based on five percent (5%) of the approved tariff rate for local access line telephone service provided by the Company within the corporate limits of the Town and the Company shall provide free to the Town three (3) local access lines. Fees are payable no later than sixty (60) days after the end of each calendar quarter.

(15) Road Maintenance Agreement

On July 1, 1998 the Town of Cottonport entered into a maintenance agreement with the Department of Transportation and Development for a one-year period whereby the Town will maintain its municipal streets and roads, including mowing and litter pickup, and the Department of Transportation and Development will reimburse the Town with semi-annual payments totaling \$4,605, which was determined at a rate of \$921 per mile for five miles of undivided streets per year.

(16) Pension Plans

Eligible employees of the Town participate in the Municipal Employees' Retirement System, a multiple-employer public employee retirement system which is controlled and administered by a separate board of trustees. Police officers are eligible to participate in the Municipal Police Retirement System, a multiple-employer public employee retirement system. For the current year, however, no one in the police department chose to participate.

Municipal Employee's Retirement System

Plan members are required to contribute 5.00% of their annual covered salary to the system while the Town is required to contribute at the statutory rate of 4.5% of the total annual covered salary. The Town's contributions to the system for the years ended June 30, 2000, 1999 and 1998 were \$10,298, \$7,998, \$5,587, respectively, equal to the required contribution for each year.

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Municipal Employee's Retirement System, 7937 Office Park Bldg., Baton Rouge, Louisiana 70809.

(17) Compensation of Town Officials

A detail of compensation paid to the Mayor, Council, and Police Chief for the year ended June 30, 2000, follows:

Paul A. Gauthier, Mayor	\$ 11,888
Council:	
Curtis Francisco	2,450
Rickey Brouillette	2,450
Luke L. Welch	2,450
Lonis A. Laurent	2,400
Sarah A. Williams	2,450
Gerald Mayeaux, Police Chief	<u>23,548</u>
Total	<u>\$ 47,636</u>

(18) Sales Tax Collection Agreement

On June 5, 1992, the Town of Cottonport entered into an intergovernmental agreement with the Avoyelles Parish School Board for a one year period commencing on July 1, 1992, whereby the School Board will collect the sales and use taxes, including interest, penalties, fees and cost, levied by the Town of Cottonport under the Town's ordinances for a monthly fee of 1.5 percent of the gross tax revenues collected by the School Board. The School Board will remit collections to the Town on a monthly basis no later than the 10th day of each month after reasonable and necessary cost and expenses of collection in administration of the taxes have been deducted, including the collection fee. This contract automatically renewed for a one year period commencing July 1, 1998.

SUPPLEMENTARY INFORMATION

SCHEDULES OF INDIVIDUAL FUNDS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

TOWN OF COTTONPORT, LOUISIANA
General Fund

Comparative Balance Sheet
June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
ASSETS		
Cash and interest-bearing deposits	\$121,506	\$139,761
Receivables net of allowance for uncollectibles:		
Taxes -		
Ad valorem	-	1,104
Tobacco	2,683	2,683
Beer	3,237	1,483
Accrued interest	820	716
Other	36,801	32,660
Due from other funds	<u>67,932</u>	<u>-</u>
Total assets	<u><u>\$232,979</u></u>	<u><u>\$178,407</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 5,356	\$ 5,529
Due to other funds	<u>4,858</u>	<u>8,536</u>
Total liabilities	<u>10,214</u>	<u>14,065</u>
Fund balance:		
Unreserved, undesignated	<u>222,765</u>	<u>164,342</u>
Total liabilities and fund balance	<u><u>\$232,979</u></u>	<u><u>\$178,407</u></u>

TOWN OF COTTONPORT, LOUISIANA
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
Year Ended June 30, 2000
With Comparative Actual Amounts for the Year Ended June 30, 1999

	2000		Variance -	1999
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:				
Taxes	\$ 34,600	\$ 34,547	\$ (53)	\$ 30,142
Franchise fees	78,508	80,036	1,528	76,771
Licenses and permits	44,380	45,533	1,153	51,341
Intergovernmental	119,503	128,493	8,990	100,526
Fines and forfeits	39,000	31,206	(7,794)	39,091
Miscellaneous	15,080	17,264	2,184	18,840
Total revenues	<u>331,071</u>	<u>337,079</u>	<u>6,008</u>	<u>316,711</u>
Expenditures:				
Current -				
General government	152,439	142,621	9,818	147,283
Public safety:				
Police	151,603	145,061	6,542	145,106
Fire	28,883	24,916	3,967	28,783
City court	3,900	2,003	1,897	2,366
Streets and bridges	190,500	144,422	46,078	154,174
Health and sanitation	5,740	6,319	(579)	2,163
Capital outlay	11,000	42,246	(31,246)	243,870
Debt service	9,568	9,568	-	11,148
Total expenditures	<u>553,633</u>	<u>517,156</u>	<u>36,477</u>	<u>734,893</u>
Deficiency of revenues over expenditures	<u>(222,562)</u>	<u>(180,077)</u>	<u>42,485</u>	<u>(418,182)</u>
Other financing sources (uses):				
Operating transfers in	230,000	238,500	8,500	346,114
Operating transfers out	-	-	-	(37,277)
Total other financing sources	<u>230,000</u>	<u>238,500</u>	<u>8,500</u>	<u>308,837</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	7,438	58,423	50,985	(109,345)
Fund balance, beginning	<u>164,342</u>	<u>164,342</u>	-	<u>273,687</u>
Fund balance, ending	<u>\$ 171,780</u>	<u>\$ 222,765</u>	<u>\$50,985</u>	<u>\$164,342</u>

TOWN OF COTTONPORT, LOUISIANA
General Fund

Statement of Revenues Compared to Budget (GAAP Basis)
Year Ended June 30, 2000
With Comparative Actual Amounts for the Year Ended June 30, 1999

	2000		Variance -	1999
	Budget	Actual	Favorable (Unfavorable)	Actual
Taxes:				
Ad valorem	<u>\$ 34,600</u>	<u>\$ 34,547</u>	<u>\$ (53)</u>	<u>\$ 30,142</u>
Franchise fees:				
Electric	39,000	40,275	1,275	39,253
Gas	11,708	11,708	-	11,299
Cable TV	16,770	16,953	183	15,443
Telephone	<u>11,030</u>	<u>11,100</u>	<u>70</u>	<u>10,776</u>
Total franchise fees	<u>78,508</u>	<u>80,036</u>	<u>1,528</u>	<u>76,771</u>
Licenses and permits:				
Occupational licenses/permits	<u>44,380</u>	<u>45,533</u>	<u>1,153</u>	<u>51,341</u>
Intergovernmental:				
State of Louisiana -				
Tobacco tax	10,732	10,732	-	10,732
Beer tax	5,000	6,014	1,014	6,122
Video poker contributions	10,400	10,001	(399)	14,884
DOTD maintenance	4,605	4,605	-	4,605
Grant revenue	23,799	23,799	-	4,509
Housing authority payment in lieu of taxes	4,867	4,867	-	5,318
Casino revenue	<u>60,100</u>	<u>68,475</u>	<u>8,375</u>	<u>54,356</u>
Total intergovernmental	<u>119,503</u>	<u>128,493</u>	<u>8,990</u>	<u>100,526</u>
Fines and forfeits	<u>39,000</u>	<u>31,206</u>	<u>(7,794)</u>	<u>39,091</u>
Miscellaneous:				
Interest revenue	5,000	5,416	416	8,795
Excise tax refund	1,400	-	(1,400)	1,379
Grass cutting	800	920	120	415
Copies	25	8	(17)	26
Christmas festival funds	4,800	4,302	(498)	4,972
Property rental	800	1,050	250	855
Impounding fees	100	100	-	-
Miscellaneous	<u>2,155</u>	<u>5,468</u>	<u>3,313</u>	<u>2,398</u>
Total miscellaneous	<u>15,080</u>	<u>17,264</u>	<u>2,184</u>	<u>18,840</u>
Total revenues	<u>\$331,071</u>	<u>\$337,079</u>	<u>\$ 6,008</u>	<u>\$316,711</u>

TOWN OF COTTONPORT, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis)
Year Ended June 30, 2000
With Comparative Actual Amounts for the Year Ended June 30, 1999

	2000		Variance -	1999
	Budget	Actual	Favorable (Unfavorable)	Actual
Current:				
General government -				
Salaries	\$ 64,000	\$ 62,573	\$ 1,427	\$ 60,787
Employee benefits	8,800	8,782	18	10,693
Payroll taxes	5,100	4,733	367	4,736
Utilities	5,500	4,836	664	4,038
Telephone	4,800	4,595	205	4,467
Advertising and publications	3,000	3,193	(193)	2,198
Travel	5,500	4,849	651	4,754
Dues and subscriptions	1,600	1,247	353	1,399
Professional fees	5,900	5,845	55	5,581
Copier rental	1,812	1,812	-	1,812
Insurance	8,700	6,404	2,296	7,351
Recreation park	1,000	807	193	6,399
Property rental	500	500	-	500
Community center	2,500	1,879	621	1,304
Office supplies	10,000	9,675	325	9,769
City hall maintenance	5,000	3,010	1,990	5,345
Tax roll and assessor's fees	812	812	-	780
Christmas festival	12,460	12,289	171	11,825
Miscellaneous	5,455	4,780	675	3,545
Total general government	<u>152,439</u>	<u>142,621</u>	<u>9,818</u>	<u>147,283</u>
Public safety:				
Police -				
Salaries	102,003	96,240	5,763	92,827
Employee benefits	8,000	7,708	292	6,676
Payroll taxes	8,700	8,498	202	7,965
Supplies	2,500	2,409	91	2,445
Uniforms	900	607	293	1,196
Automobile maintenance	13,000	13,900	(900)	14,402
Insurance	14,000	13,489	511	13,626
Telephone	500	480	20	512
Miscellaneous	2,000	1,730	270	5,457
Total police	<u>151,603</u>	<u>145,061</u>	<u>6,542</u>	<u>145,106</u>

(continued)

TOWN OF COTTONPORT, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 2000
With Comparative Actual Amounts for the Year Ended June 30, 1999

	2000			
	Budget	Actual	Variance - Favorable (Unfavorable)	1999 Actual
Fire -				
Salaries	3,900	3,900	-	3,900
Payroll taxes	306	299	7	306
Employee benefits	177	176	1	146
Engineering	-	-	-	2,860
Miscellaneous	1,500	1,338	162	540
Truck	7,200	6,360	840	7,209
Materials and supplies	3,000	2,492	508	1,405
Insurance	9,500	7,398	2,102	9,676
Telephone	700	670	30	635
Utilities	2,600	2,283	317	2,106
Total fire	28,883	24,916	3,967	28,783
City court -				
Magistrate fees	300	300	-	300
Prisoner rations	3,000	1,608	1,392	2,034
Miscellaneous	600	95	505	32
Total city court	3,900	2,003	1,897	2,366
Streets and bridges:				
Salaries	85,000	76,237	8,763	85,167
Payroll taxes	6,700	5,857	843	6,674
Employee benefits	2,800	2,741	59	2,139
Equipment maintenance	41,000	8,742	32,258	11,111
Materials	12,000	12,334	(334)	10,193
Street lighting	19,500	19,318	182	17,359
Insurance	13,000	11,323	1,677	12,917
Miscellaneous	6,000	4,121	1,879	6,257
Animal control	1,000	677	323	1,872
Engineering	3,500	3,072	428	485
Total streets and bridges	190,500	144,422	46,078	154,174
Health and sanitation:				
Pest control	240	277	(37)	177
Solid waste disposal	5,500	6,042	(542)	1,986
Total health and sanitation	5,740	6,319	(579)	2,163

(continued)

TOWN OF COTTONPORT, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 2000
With Comparative Actual Amounts for the Year Ended June 30, 1999

	2000			
	Budget	Actual	Variance - Favorable (Unfavorable)	1999 Actual
Capital outlay:				
General government -				
Equipment	1,000	900	100	1,687
Furniture	700	786	(86)	4,173
Land & building improvements	300	434	(134)	34,585
Public safety -				
Police:				
Vehicle	-	-	-	19,710
Equipment	-	-	-	6,904
Land & building improvements	2,000	3,113	(1,113)	-
Fire:				
Fire truck	-	-	-	175,861
Land & building improvements	6,000	5,516	484	-
Streets and bridges -				
Equipment	1,000	31,497	(30,497)	950
Total capital outlay	<u>11,000</u>	<u>42,246</u>	<u>(31,246)</u>	<u>243,870</u>
Debt service:				
Principal	8,974	8,974	-	10,053
Interest	594	594	-	1,095
Total debt service	<u>9,568</u>	<u>9,568</u>	<u>-</u>	<u>11,148</u>
Total expenditures	<u>\$ 553,633</u>	<u>\$ 517,156</u>	<u>\$ 36,477</u>	<u>\$ 734,893</u>

SPECIAL REVENUE FUNDS

Sales Tax Fund -

To account for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated for the constructing, acquiring, extending, improving, operating and maintaining the following:

- A. Sewers and Sewerage Disposal Facilities
- B. Waterworks Facilities
- C. Public Streets
- D. Drainage Facilities

Volunteer Fire Department Fund -

To account for the receipt and use of proceeds of an Ad Valorem tax. These taxes are dedicated for the purchase of equipment or supplies, salaries of firemen, repair of equipment training and/or training aides, fire station building and/or maintenance, and/or any other fire protection related expenses with in the subdistrict, pursuant to Article 8 of the Avoyelles Fire Protection District #2 for the Cottonport Volunteer Fire Department.

TOWN OF COTTONPORT, LOUISIANA
Special Revenue Funds

Combining Balance Sheet
June 30, 2000
With Comparative Actual Amounts as of June 30, 1999

	Sales Tax Fund	Volunteer Fire Department Fund	Totals	
			2000	1999
ASSETS				
Cash and interest bearing-deposits	\$103,745	\$13,685	\$ 117,430	\$ 77,693
Receivables:				
Sales taxes	14,276	-	14,276	9,047
Accrued interest	<u>606</u>	<u>-</u>	<u>606</u>	<u>483</u>
Total assets	<u>\$118,627</u>	<u>\$13,685</u>	<u>\$ 132,312</u>	<u>\$ 87,223</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 176	\$ -	\$ 176	\$ -
Due to other funds	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>100</u>
Total liabilities	20,176	-	20,176	100
Fund balances:				
Unreserved, undesignated	<u>98,451</u>	<u>13,685</u>	<u>112,136</u>	<u>87,123</u>
Total liabilities and fund balances	<u>\$118,627</u>	<u>\$13,685</u>	<u>\$ 132,312</u>	<u>\$ 87,223</u>

TOWN OF COTTONPORT, LOUISIANA
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2000

With Comparative Actual Amounts for the Year Ended June 30, 1999

	Sales Tax Fund	Volunteer Fire Department Fund	Totals	
			2000	1999
Revenues:				
Taxes	\$ 117,129	\$ 26,451	\$ 143,580	\$125,672
Intergovernmental	-	1,200	1,200	8,869
Miscellaneous	3,758	2,141	5,899	8,013
Total revenues	<u>120,887</u>	<u>29,792</u>	<u>150,679</u>	<u>142,554</u>
Expenditures:				
Current -				
General government	1,293	-	1,293	1,182
Public safety - fire	-	5,398	5,398	5,447
Capital outlay	-	12,549	12,549	7,315
Total expenditures	<u>1,293</u>	<u>17,947</u>	<u>19,240</u>	<u>13,944</u>
Excess of revenues over expenditures	119,594	11,845	131,439	128,610
Other financing uses:				
Operating transfers out	<u>(90,000)</u>	<u>(16,426)</u>	<u>(106,426)</u>	<u>(178,522)</u>
Excess (deficiency) of revenues over expenditures and other uses	29,594	(4,581)	25,013	(49,912)
Fund balances, beginning	<u>68,857</u>	<u>18,266</u>	<u>87,123</u>	<u>137,035</u>
Fund balances, ending	<u>\$ 98,451</u>	<u>\$ 13,685</u>	<u>\$ 112,136</u>	<u>\$ 87,123</u>

TOWN OF COTTONPORT, LOUISIANA
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
Year Ended June 30, 2000

	Sales Tax Fund			Volunteer Fire Department Fund			Totals		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:									
Taxes	\$102,000	\$117,129	\$15,129	\$26,451	\$26,451	\$ -	\$128,451	\$143,580	\$15,129
Intergovernmental	-	-	-	9,059	1,200	(7,859)	9,059	1,200	(7,859)
Miscellaneous	3,100	3,758	658	1,059	2,141	1,082	4,159	5,899	1,740
Total revenues	105,100	120,887	15,787	36,569	29,792	(6,777)	141,669	150,679	9,010
Expenditures:									
Current -									
General government:									
Collection fees	1,200	1,200	-	-	-	-	1,200	1,200	-
Miscellaneous	105	93	12	-	-	-	105	93	12
Total general government	1,305	1,293	12	-	-	-	1,305	1,293	12
Public safety - fire:									
Continuing education	-	-	-	-	395	(395)	-	395	(395)
Maintenance and materials	-	-	-	4,845	4,995	(150)	4,845	4,995	(150)
Miscellaneous	-	-	-	-	8	(8)	-	8	(8)
Total public safety - fire	-	-	-	4,845	5,398	(553)	4,845	5,398	(553)
Capital outlay	-	-	-	15,000	12,549	2,451	15,000	12,549	2,451
Total expenditures	1,305	1,293	12	19,845	17,947	1,898	21,150	19,240	1,910
Excess of revenues over expenditures	103,795	119,594	15,799	16,724	11,845	(4,879)	120,519	131,439	10,920
Other financing uses:									
Operating transfers in	-	-	-	500	-	(500)	-	-	-
Operating transfers out	(90,000)	(90,000)	-	(16,426)	(16,426)	-	(106,426)	(106,426)	-
Total other financing sources (uses)	(90,000)	(90,000)	-	(15,926)	(16,426)	(500)	(106,426)	(106,426)	-
Deficiency of revenues and other sources over expenditures and other uses	13,795	29,594	15,799	798	(4,581)	(5,379)	14,093	25,013	10,920
Fund balances, beginning	68,857	68,857	-	18,266	18,266	-	87,123	87,123	-
Fund balances, ending	\$ 82,652	\$ 98,451	\$15,799	\$19,064	\$13,685	\$(5,379)	\$101,216	\$112,136	\$10,920

ENTERPRISE FUND

UTILITY FUND -

To account for the provision of water and sewerage services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

TOWN OF COTTONPORT, LOUISIANA

Enterprise Fund

Utility Fund

Comparative Balance Sheet

June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 319,639	\$ 347,177
Receivables -		
Accounts	47,546	47,975
Accrued interest	2,956	2,783
Due from other funds	374	398
Other	349	-
Total current assets	<u>370,864</u>	<u>398,333</u>
Restricted assets:		
Cash and interest-bearing deposits	<u>31,860</u>	<u>29,732</u>
Property, plant and equipment, at cost, net of accumulated depreciation (2000 \$1,407,320; 1999 \$1,326,582)	<u>2,022,946</u>	<u>2,040,711</u>
Total assets	<u><u>\$2,425,670</u></u>	<u><u>\$2,468,776</u></u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Current liabilities (payable from current assets) -		
Accounts payable	\$ 16,305	\$ 21,236
Due to other funds	<u>43,130</u>	<u>-</u>
	59,435	21,236
Current liabilities (payable from restricted assets) -		
Customers' deposits	<u>31,859</u>	<u>29,732</u>
Total current liabilities	<u>91,294</u>	<u>50,968</u>
Fund equity:		
Contributed capital	1,800,067	1,828,707
Retained earnings, unreserved	<u>534,309</u>	<u>589,101</u>
Total fund equity	<u>2,334,376</u>	<u>2,417,808</u>
Total liabilities and fund equity	<u><u>\$2,425,670</u></u>	<u><u>\$2,468,776</u></u>

TOWN OF COTTONPORT, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
Years Ended June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
Operating revenues:		
Charges for services -		
Water services	\$ 307,528	\$ 302,272
Sewer services	98,631	94,780
LAWCO water line	<u>108,750</u>	<u>109,601</u>
Total operating revenues	<u>514,909</u>	<u>506,653</u>
Operating expenses:		
Water department	306,833	253,163
Sewer department	141,307	111,055
General and administrative	<u>42,513</u>	<u>48,198</u>
Total operating expenses	<u>490,653</u>	<u>412,416</u>
Operating income	<u>24,256</u>	<u>94,237</u>
Nonoperating revenues:		
Interest income	<u>15,532</u>	<u>15,233</u>
Income before operating transfers	39,788	109,470
Operating transfers out:		
Operating transfers out	<u>(159,820)</u>	<u>(170,150)</u>
Net loss	(120,032)	(60,680)
Add: Depreciation on fixed assets acquired by funds externally restricted for capital acquisitions and construction that reduces contributed capital	<u>65,240</u>	<u>65,065</u>
(Decrease) increase in retained earnings	(54,792)	4,385
Retained earnings, beginning	<u>589,101</u>	<u>584,716</u>
Retained earnings, ending	<u><u>\$ 534,309</u></u>	<u><u>\$ 589,101</u></u>

TOWN OF COTTONPORT, LOUISIANA

Enterprise Fund

Utility Fund

Comparative Statement of Operating Expenses by Department
Years Ended June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
Water department:		
Salaries	\$ 44,773	\$ 42,302
Payroll taxes and employee benefits	5,322	4,767
Materials and supplies	32,285	25,980
Chemicals	12,902	18,386
Truck and backhoe expenses	5,622	6,597
Repairs and maintenance	78,183	12,556
Utilities and telephone	69,182	80,618
Insurance	10,590	11,077
Uniforms	563	534
Depreciation	41,344	42,189
Bad debts	85	288
Engineering fees	1,508	5,644
Miscellaneous	4,474	2,225
Total water department	<u>306,833</u>	<u>253,163</u>
 Sewer department:		
Salaries	19,875	13,839
Payroll taxes and employee benefits	1,999	1,169
Materials and supplies	17,346	10,235
Chemicals	23,359	17,118
Truck and backhoe expenses	7,569	4,973
Repairs and maintenance	9,964	5,315
Utilities and telephone	11,955	8,887
Insurance	4,009	3,888
Uniforms	488	384
Depreciation	39,395	39,383
Bad debts	47	275
Engineering fees	416	-
Miscellaneous	4,885	5,589
Total sewer department	<u>141,307</u>	<u>111,055</u>

(continued)

TOWN OF COTTONPORT, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Operating Expenses by Department (Continued)
Years Ended June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
General and administrative:		
Salaries	\$ 28,161	\$ 27,795
Payroll taxes and employee benefits	6,211	6,012
Professional fees	3,146	2,925
Office supplies and postage	4,485	11,031
Uniforms	469	393
Miscellaneous	<u>41</u>	<u>42</u>
Total general and administrative	<u>42,513</u>	<u>48,198</u>
 Total operating expenses	 <u><u>\$ 490,653</u></u>	 <u><u>\$ 412,416</u></u>

TOWN OF COTTONPORT, LOUISIANA

Enterprise Fund

Utility Fund

Comparative Statement of Cash Flows
Years Ended June 30, 2000 and 1999

	Enterprise	
	2000	1999
Cash flows from operating activities:		
Operating income	\$ 24,256	\$ 94,237
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	80,739	81,572
Changes in current assets and liabilities:		
Decrease (increase) in accounts receivable	429	(2,693)
Increase in other receivables	(522)	(544)
(Decrease) increase in accounts payable	(4,931)	6,329
Total adjustments	75,715	84,664
Net cash provided by operating activities	99,971	178,901
Cash flows from noncapital financing activities:		
Operating transfers out to other funds	(116,667)	(170,150)
Cash flows from capital and related financing activities:		
Acquisition of property, plant and equipment	(62,974)	(7,637)
Proceeds from water system grant	36,600	-
Net increase in meter deposits	2,128	2,647
Net cash used by capital and related financing activities	(24,246)	(4,990)
Cash flows from investing activities:		
Interest received on interest-bearing deposits	15,532	15,233
Net (increase) decrease in interest-bearing deposits	(2,094)	99,589
Net cash provided by investing activities	13,438	114,822
Net (decrease) increase in cash and cash equivalents	\$ (27,504)	\$ 118,583
Cash and cash equivalents, beginning of period	336,863	218,280
Cash and cash equivalents, end of period	\$ 309,359	\$ 336,863

(continued)

TOWN OF COTTONPORT, LOUISIANA

Enterprise Fund

Utility Fund

Comparative Statement of Cash Flows (Continued)

Years Ended June 30, 2000 and 1999

	Enterprise	
	2000	1999
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash and interest-bearing deposits - unrestricted	\$ 347,177	\$ 330,830
Cash and interest-bearing deposits - restricted	29,732	27,085
Less: Interest-bearing deposits with a maturity over three months when purchased	<u>(40,046)</u>	<u>(139,635)</u>
Total cash and cash equivalents	<u>336,863</u>	<u>218,280</u>
Cash and cash equivalents, end of period -		
Cash and interest-bearing deposits - unrestricted	319,639	347,177
Cash and interest-bearing deposits - restricted	31,860	29,732
Less: Interest-bearing deposits with a maturity over three months when purchased	<u>(42,140)</u>	<u>(40,046)</u>
Total cash and cash equivalents	<u>309,359</u>	<u>336,863</u>
Net (decrease) increase	<u>\$ (27,504)</u>	<u>\$ 118,583</u>

**COMPLIANCE
AND
INTERNAL CONTROL**

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Paul Gauthier, Mayor
and Members of the Town Council
Town of Cottonport, Louisiana

We have audited the general purpose financial statements of the Town of Cottonport, Louisiana, as of and for the year ended June 30, 2000, and have issued our report thereon dated August 4, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Cottonport, Louisiana's general purpose financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards, which is described in the accompanying schedule of prior and current audit findings and corrective action plan as item 00-1(C).

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Cottonport's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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This report is intended solely for the information and use of the management, Town Council, and Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Marksville, Louisiana
August 15, 2000

TOWN OF COTTONPORT, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
June 30, 2000

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Date of Completion
CURRENT YEAR (06/30/00) --						
<u>Compliance:</u>						
00-1(C)	1999	Deposits in one financial institution were under-secured in the amount of \$24,444 on June 30, 2000.	-	The financial institution has been informed of the inadequate securities pledged and the Town's Clerk is in the process of implementing procedures to ensure that deposits are fully secured at all times.	Paul Gauthier, Mayor	8/15/00
PRIOR YEAR (06/30/99) --						
<u>Compliance:</u>						
99-1(C)	1999	Deposits in one financial institution were under-secured in the amount of \$31,174 on June 30, 1999.	No	The financial institution has been informed of the inadequate securities pledged and the Town's Clerk is in the process of implementing procedures to ensure that deposits are fully secured at all times.	Paul Gauthier, Mayor	